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VELINA MILLER  
QUALITY BUILDING STONE  
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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

December 28, 2007

CERTIFIED MAIL  
7005 2570 0000 4801 7871

Velina Miller  
Quality Building Stone  
993 West 14730 South  
Bluffdale, Utah 84065

Subject: Findings of Fact, Conclusions, Order for MC07-01-08, Amis #1 Mine, M0490038, Utah County, Utah

Dear Ms. Miller:

On August 30, 2007 an Informal Conference was held to review the fact of the violation and the proposed fine for state violation MC-07-01-08. As a result of a review of all pertinent data and facts, including those presented in the Informal Conference, the attached documents constitute the findings of fact, conclusions, and order.

**The Cessation Order has been vacated. The assessed fine is voided.**

If you have further questions, please contact me at 801-538-5306, or Daron Haddock at 801-538-5325.

Sincerely,

Mary Ann Wright  
Associate Director, Mining  
Assessment Conference Officer  
[maryannwright@utah.gov](mailto:maryannwright@utah.gov)

Enclosure:  
Finding

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BEFORE THE DIVISION OF OIL, GAS AND MINING  
**MINERALS REGULATORY PROGRAM**  
DEPARTMENT OF NATURAL RESOURCES  
STATE OF UTAH

---ooOoo---

IN THE MATTER OF THE Amis #1	:	INFORMAL CONFERENCE
Mine, Utah COUNTY, UTAH	:	For MC07-01-08 FINDINGS,
	:	CONCLUSIONS
Quality Building Stone (QBS)	:	AND ORDER
	:	CAUSE NO. S0490038

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On August 30, 2007, the Division of Oil, Gas and Mining ("OGM") held an informal conference concerning the Fact of Violation and the Assessment for Cessation Order, MC-07-01-08 issued to Amis #1 Mine, Utah County, Utah. The following attended for the Division: Lynn Kunzler and Daron Haddock.

Presiding: Mary Ann Wright  
Associate Director, Mining  
Division of Oil, Gas and Mining

Petitioner: Quality Building Stone (QBS): Velina Miller, Steve Miller, Mike Miller and Dan Powell

The Findings, Conclusions, and Order in this matter are based on information provided by the Petitioner and the Division in connection with this informal conference, and on information in the files of the Division.

**FACTS PRESENTED: Fact of the Cessation Order and Assessment of the Violation**

1. On August 30, 2007, the Division of Oil, Gas and Mining (OGM or Division) held an Informal Conference concerning the Cessation Order issued at the Amis #1 Mine, Utah County, Utah.
2. Cessation Order MC-07-01-08 was issued on July 20, 2007, for "Failure to provide or maintain reclamation surety for a mine site".

3. In a letter received 8/01/07, Steve Miller requested an Informal Conference. Notice of the informal conference was properly given, pursuant to Utah Code Ann. Section 40-8- 9 and Utah Administrative Rule R647-6-102.
4. At the informal conference, the following information was presented to the Conference Officer.
5. Lynn Kunzler inspected the site on July 17, 2007 with Steve Demczak and Dan Smith of the Division as part of a training exercise. The inspection indicated that there had been some recent activity at the site. A chain and a cable attached to a large rock on the highwall were noted. Surety was due to be posted for this 5 acre mine. Paul Baker was originally the reviewer assigned to this mine. Daron Haddock had notified the company that a bond was due for this site.
6. Mr. Dan Powell reviewed the history of this site. The initial application date was November 20, 2002. He asserted that the intent has been to fully abide by the rules. He stated that there were neighbors of this property that were building reservoirs and speculated that any track marks or disturbance at the site would likely have been as a result of scraping up material to build a dam.
7. Mr. Powell asked questions about prior inspections by the division and wanted to know if it was customary to notify the operator. He stated that if Quality Building Stone had been notified, they could have been on site and explained anything or answered any questions. The key thing, he emphasized was that there was no mining going on.
8. Mr. Powell provided a series of six pictures taken on August 2, 2007 of the site. He went to the site to investigate and saw no cat tracks in the pit. He asserted that any disturbance in the pit was created by neighbors building reservoirs.
9. QBS had asked if an existing Letter of Credit (bond) could be moved from other sites: Red Chief and Italian Tan. QBS asserted that there were letters regarding this issue, followed by meetings with Daron and Lynn.
10. Daron had trouble recalling that such communication had taken place, although he was aware that a meeting had taken place on August 1, 2007 in regard to the surface and mineral lease.
11. QBS stated they were waiting for information from the division when the CO arrived. QBS had spoken with Jed Pearson of the division and had been prepared to meet with him.

12. Issues were raised about the LOC that QBS wished to transfer. Reclamation work needed to be completed first and then the bond could be released from the Italian Tan mine. After some discussion among the parties, it appeared that there may have been a misunderstanding between the division and the operator about being able to transfer a bond from mines that were not yet reclaimed. The division believed that it had been clear about not being able to transfer the LOC from other unreclaimed mines.
13. QBS signed the reclamation contract and provided the surety on the same day, after the Informal Conference was held, thus completing the permitting requirements for this mine.

### FINDINGS AND CONCLUSIONS

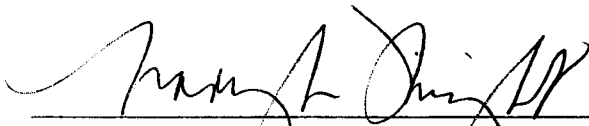
1. It was not clearly established by the division that mining had occurred at the Amis #1. QBS provided a plausible explanation for some minor disturbance in the area of the mine. There were very recent discussions taking place between QBS and the division about a bond (LOC) being posted for the site.
2. Given the lack of evidence for mining without a bond in place and the discussions of bonding that had occurred, the Cessation Order should be vacated.

### ORDER

NOW THEREFORE, it is ordered that:

1. Cessation Order MC-07-01-08, issued July 20, 2007, is hereby vacated.
2. The fine is hereby voided.

SO DETERMINED AND ORDERED this 28<sup>th</sup> day of December, 2007.

  
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Mary Ann Wright, Associate Director, Mining  
Conference Officer  
Division of Oil, Gas and Mining  
State of Utah